

*10 November 2004*



# Iraq Weekly Status Report

**UNCLASSIFIED**

DEPARTMENT  
OF  
STATE



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# Highlights

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## Political/Governance

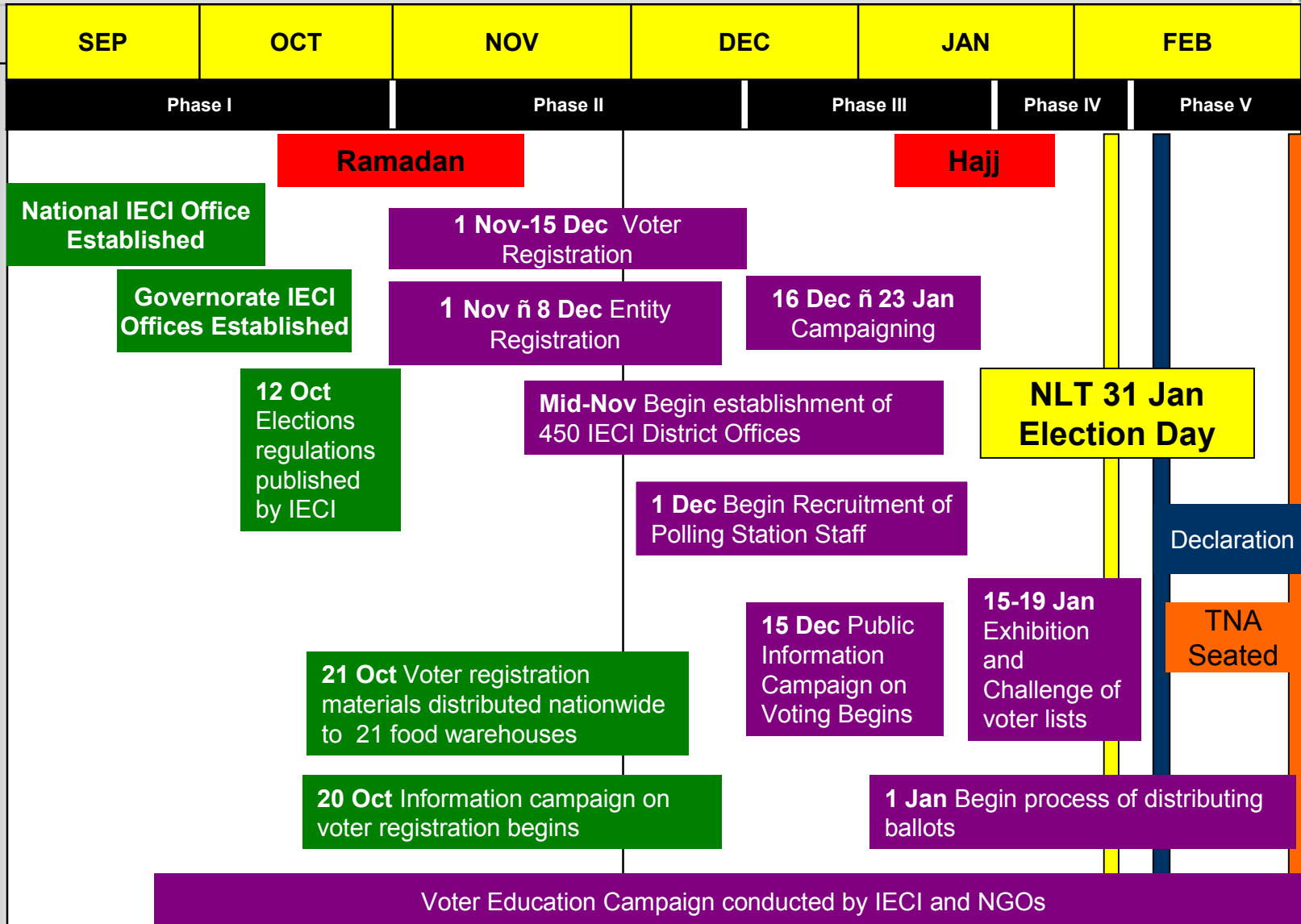
### National Elections:

- ï Voter registration continues in all provinces except Al Anbar.
- ï Iraqi political parties continue the process of developing party coalitions and candidate lists at both the national and governorate level for submission to the Independent Electoral Commission of Iraq (IECI).
- ï The European Union offered a new package of EURO 31.5M to support the January elections. The funds will go to support the IECI, Information Technology, voter outreach, media development and boosting the participation of women.
- ï Grand Ayatollah Sistani announces that he will be the first to vote in the January elections and continues to play a positive role in support of the elections.
- ï News reports and editorials in support of the elections are now dominating the headlines in the Iraqi press.
- ï The State Department has set aside \$120,000 to support pro-democracy and free expression publishing by Iraqis. These funds will be used to promote the rebirth of independent publishing in Iraq. There are Iraqi publishing houses in Baghdad, London, Cologne, and Germany interested in undertaking this work.



# Governance ñ Iraq Elections Timeline

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# Governance ñ Developments

## Election Planning Continues:

- ï The IIG announced that \$90 million will be allocated to allow Iraqis living overseas to vote in the January elections. A field assessment has been commissioned to assess the capacity to carry out the program worldwide.
- ï Portugal announced the extension of its military presence in Iraq through the elections to provide additional security.
- ï Advertisements explaining the voter registration process hit the airwaves of major Arab satellite channels this week.

## United Nations:

- ï Fijian forces departed for Baghdad this week to provide security for UN personnel.
- ï Georgia announced its decision to deploy a force of about 850 troops to join the multinational force protecting UN personnel.
- ï PM Allawi and SYG Kofi Annan exchanged letters this week on the importance of holding elections in January.
- ï SYG Kofi Annan met this week with Iraqi Ambassador to the United Nations Samir Sumaidy and discussed the ongoing elections preparations.



# Governance ñ Developments

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## Capacity Building:

- ï USAID continues to implement Local Governance Programs (LGPs) in 18 governorates, increasing Iraqis' understanding of democratic principles and the political process.
  - ñ The democratization process in Iraq reached a milestone this past week, as the number of Iraqis participating in Democracy Dialogue Activities (DDAs) exceeded 750,000. Over a 32-week period, LGP staff have conducted events for an average of 23,365 participants a week.
  - ñ Staff in southern Iraq hosted the South Central Region Decentralization Conference, focusing on administrative law for 25 elected public officials.
  - ñ LGP is providing training in project management and technical assistance on project preparation for councils and governmental departments in southern central Iraq through the LGP Investment Assistance Program (IAP).
- ï The State Department is promoting capacity building and democracy through US-based programs for Iraqis.
  - ñ ìElectionsî International Visitor Program (23 October ñ 13 November): The six person group of Iraqi journalists and NGO leaders are observing the US electoral process up close, before, during and immediately after the November elections.



# Economy

## Oil Update:

- ï Crude Oil prices in world markets for the week ending 5 November closed with Kirkuk Crude at \$36.62/barrel, Basra Light at \$35.94/barrel, and the OPEC basket at \$41.16/barrel.

## Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

Sector	Iraqis last week	Iraqis this week	% Increase on week
Buildings, Health & Education	4,580	3,250	-29.0%
Electricity	2,135	3,740	75.2%
Oil	180	188	4.4%
Public Works & Water	428	359	-16.1%
Security & Justice	6,467	7,218	11.6%
Transportation & Communications	843	498	-40.9%
PCO Office Staff	146	152	4.1%
AIRP	10,000	12,170	21.7%
PCO Weekly Survey TOTAL	24,779	27,575	11.3%
USAID	35,439	35,371	-0.2%
MILCON TOTAL	948	861	-9.2%
GRAND TOTAL	61,166	63,807	4.3%

Data as of 10 Nov 04



## Economy (cont.)

### Iraq Currency and Securities Exchanges:

- ï At the New Iraqi Dinar (NID) auction on 8 November, the settlement price was 1,460 dinars per USD. A total of 16 banks traded.
- ï The Ministry of Finance (MOF) auctioned NID 150 billion (about \$102.7 million) in T-Bills on 8 November; the settlement yield was 1.1 percent with 7 banks offering winning bids. Below is a chart of the previous seven MOF T-Bill auctions:

No. of Auction	Date of Auction	Amount of Issue	Term of security (in days)	Maturity Date	Number Competitive Bidders	Winning Bidders	Total Valid Competitive Bids	Total Competitive Awarded	Cover Ratio %	Bid Range Yields	Cut off yield
3	8/15/2004	100.020	91	11/15/2004	10	8	162.600	96.850	167.89	3.00% - 6.50%	5.50%
4	8/29/2004	150.010	91	11/29/2004	9	4	178.500	146.560	121.79	2.00% - 7.20%	5.00%
5	9/12/2004	150.020	91	12/13/2004	7	5	228.250	147.520	154.72	2.00% - 7.20%	4.00%
6	9/26/2004	150.000	91	12/27/2004	7	5	316.250	146.500	215.87	1.50% - 5.00%	3.20%
7	10/10/2004	150.020	91	1/10/2005	8	6	289.750	145.270	199.46	2.00% - 5.40%	3.20%
8	10/24/2004	150.030	91	1/24/2005	10	6	350.000	145.030	241.33	1.00% - 5.40%	2.50%
9	11/7/2004	150.010	91	2/7/2005	12	7	437.100	145.510	300.39	1.00% - 3.30%	1.10%

### Iraqi Stock Exchange:

- ï Currently, 34 companies actively trade on the Iraqi Stock Exchange (ISX) (out of 64 listed companies). On 7 November, a total of 504 trades were made, trading 330,510,787 shares at a volume of NID 1,914,482,033 (\$1.3 million).





# Economic Development

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## Iraqi Airports Refurbished and Repaired:

- ï The Baghdad International Airport (BIAP) has been refurbished and repaired as part of a USAID contract with Bechtel and SkyLink to rebuild Iraqi airports in Baghdad, Basrah and Mosul.
- ï Commercial airlines, including Royal Jordanian and Iraqi Air, are now using the international airport facilities rehabilitated by USAID; the airport is processing an average of 45 non-military arrivals and departures daily.

## Middle East Financial Technology Exhibition and Conference:

- ï The Middle East Financial Technology Exhibition and Conference (MEFTEC 2004), hosted by the Governor of the Bahrain Monetary Agency (BMA), will be held 22-24 November at the Bahrain International Exhibition Center.
- ï More than 30 high level speakers from 12 countries will present at the event. The objective of MEFTEC is to challenge and enhance participant understanding of effectively leveraging technology within a financial institution.
- ï Running parallel to the conference is an international trade exhibition, which will display the latest specialized financial services technology.



## Essential Services ñ Water and Sanitation

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### Water Treatment Projects:

- ï Expansion is approximately 75% complete on a major water treatment plant serving Baghdad and surrounding areas. This project will produce approximately 250 million gallons of potable drinking water per day for Baghdad residents.
- ï Work on the Sweet Water Canal is 70% complete and is on schedule for completion by mid-December 2004.
  - ñ To date, 34 of 44 pumps, and six of eleven electrical generators have been refurbished. The project also includes refurbishment to the canal's pump stations, emergency canal repairs, and heavy equipment support for the local Irrigation Department.
  - ñ The Sweet Water Canal has been the main source of raw water for about two million residents in the Basrah region since 1996, delivering approximately 28,000 cubic meters of water per hour.

### USAID Waste Water Treatment Projects:

- ï The rehabilitation of one of Baghdad's Rustimiyah wastewater treatment plants is on track for completion in early 2005. This is one of three major wastewater treatment plants serving nearly 80% of city residents.
- ï Upon 100% rehabilitation of Rustimiyah and two other plants, Baghdad will be able to treat 210 million gallons per day, benefiting 3.5 million people.

# Essential Services ñ Food Security



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## Public Distribution System (PDS) and MOT-Awarded Contracts:

- ï Embassy officials have received 94 contracts under MOT II, including pulses, tea, infant formula, vegetable oil/ghee, infant cereals and adult milk, which have been compiled into a new draft pipeline report that will be used to track those shipments.
- ï The Ministry of Trade has reported that all L/Cs have now been issued for MOT II.
- ï For the October/November Ramadan period, the Ministry of Trade will have sufficient supplies to meet the planned distribution of five key commodities.
- ï Embassy officials continue to meet with the Ministry of Trade to further the PDS process for MOT III contracts, which will fulfill January and February 2005 requirements. Commodities under MOT III have already been tendered. The MOT proposes to award contracts for those tenders by the end of November.



## Essential Services ñ Health Care

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### Current Hospital Construction and Rehabilitation Projects:

- ï Crews are preparing to break ground for a new pediatric teaching hospital in Basrah. The hospital will provide 50 patient beds, facilities for medical personnel training, facilities for outpatient and inpatient surgeries, outpatient clinics, and major diagnostic modalities.
- ï The Salah Din Rehabilitation Hospital project cost more than \$250,000 and included repairing a failing air conditioning system and rehabilitating the heating and domestic hot water system. Additional repairs at the hospital included repairing the main electrical distribution point and building a physical therapy clinic.
  - ñ The Rehabilitation Hospital is the only hospital of its kind in Iraq. The physical therapy performed here is crucial to healing the many Iraqis who have suffered injuries resulting from the insurgency.

### Other Current Projects:

- ï The Ministry of Health has submitted a grant application to the Japanese government for the donation of 700 ambulances (estimated grant value of USD \$55 million).
- ï The first installment of the PCO training contract was released this week. It covers the Partnership in Health Care initiative (PIHC).



## Essential Services ñ Education

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### School Repairs Completed in Tikrit:

- ï On 25 October, Company B, 1st Battalion 18th Infantry held grand openings for two completed Commanderís Emergency Relief Program (CERP) projects in Northern Tikrit. Both CERP projects were proposed by local leaders.
- ï One recent CERP project, the Al Aola School, was completely refurbished with wiring and plumbing repairs, paint, window replacement, tile repairs and new furniture. The project cost more than \$25,000 and serves 350 students in Northern Tikrit.

### Distribution of Education Kits:

- ï USAID in partnership with UNICEF supported the procurement of education kits for 139,358 Iraqi children enrolled in grades 1-4 for the 2004-2005 school year. The kits contain various learning materials such as exercise books, pencils, erasers, sharpeners, rulers, and slates.
  - ñ With support from USAID, UNICEF also updated its findings from a comprehensive national education survey conducted last year. The survey is being used by the Ministry of Education to design educational policies that address the needs of Iraqi learners.



## Essential Services - Telecommunications

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Multiple USG agencies have worked together to initiate several projects to restore and improve the communications throughout the country, including the following projects:

- ï Construction of the Advanced First Responder Network, a communications network that will connect police services, fire services, emergency response services, and the military.
- ï Reestablishment of the Iraqi Communications and Media Commission at a new facility thereby increasing the effectiveness of the commission to regulate and spur the development of the communications industry.
- ï Rehabilitation of the Iraqi Telephone and Postal Company's switching facilities to restore telephony traffic capacity nationwide.
- ï Rehabilitation of the existing postal facilities throughout the country in order to restore basic postal service.

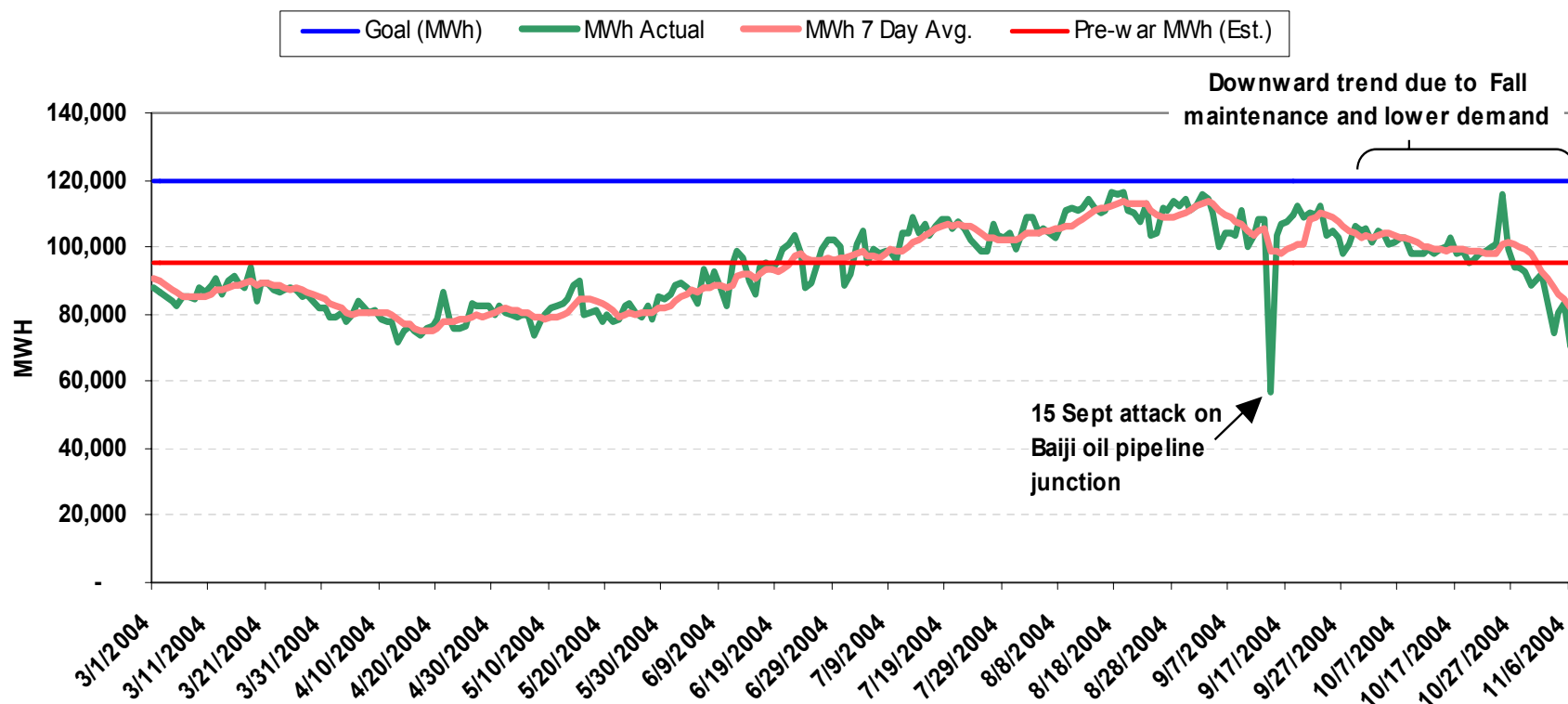
The Advanced First Responder Network will play a key role in providing for national security by increasing the Iraqi government's ability to rapidly respond to both domestic and international security threats. Additionally, it will enable the government to respond to natural disasters and provide emergency medical, police, and fire services to the general public.



# Electricity Overview

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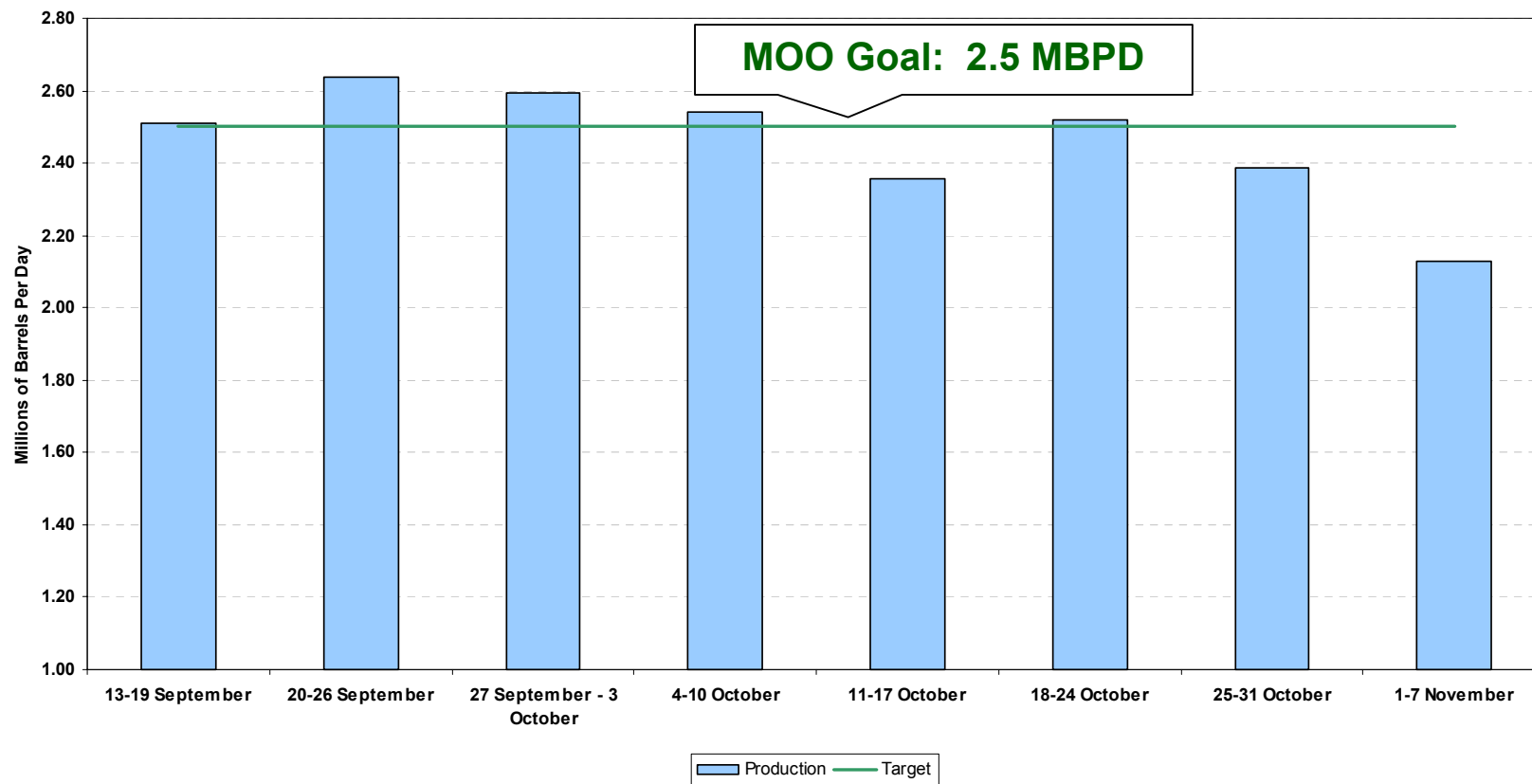
## Megawatt Hour Production (MWh)



- ï On average 1100 MW of generation capacity was scheduled offline and while 790 MW was unscheduled for maintenance.
- ï 7 Day Average (1-7 Nov): 80,500 MWh.



# Crude Oil Production



ï Weekly Average (1-7 Nov) of 2.13 MBPD

ï Near Term Ministry of Oil (MOO) Target (Dec 04): 2.8 ñ 3.0 MBPD (Pre-War Capacity)

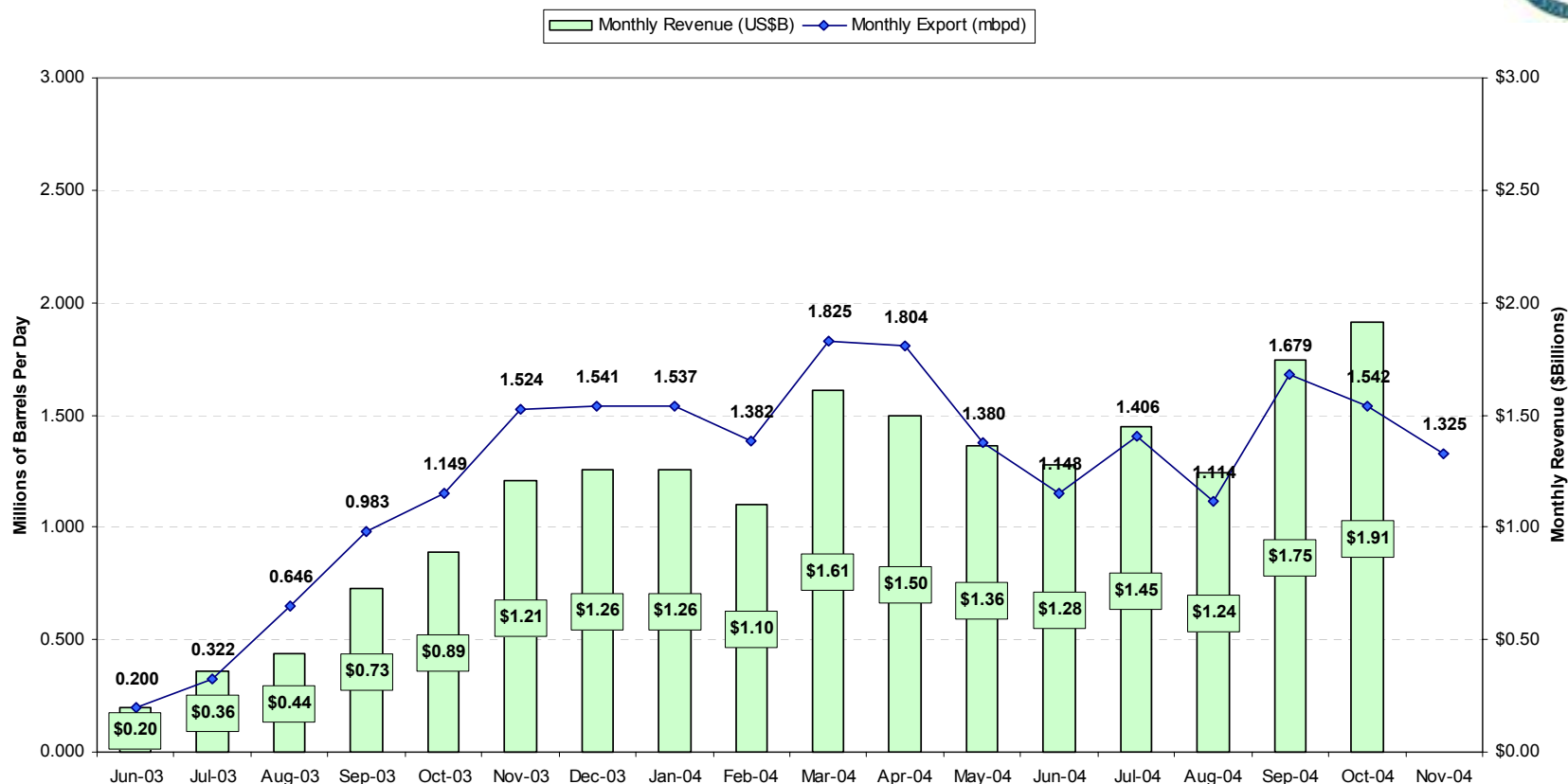
ï Pre-War Peak: 2.5 MBPD in Mar 03

ï Post-War Peak: 2.67 MBPD





# Crude Oil Monthly Export ñ Volume & Revenue



2003 Revenue: \$5,076.6M

2004 Revenue:

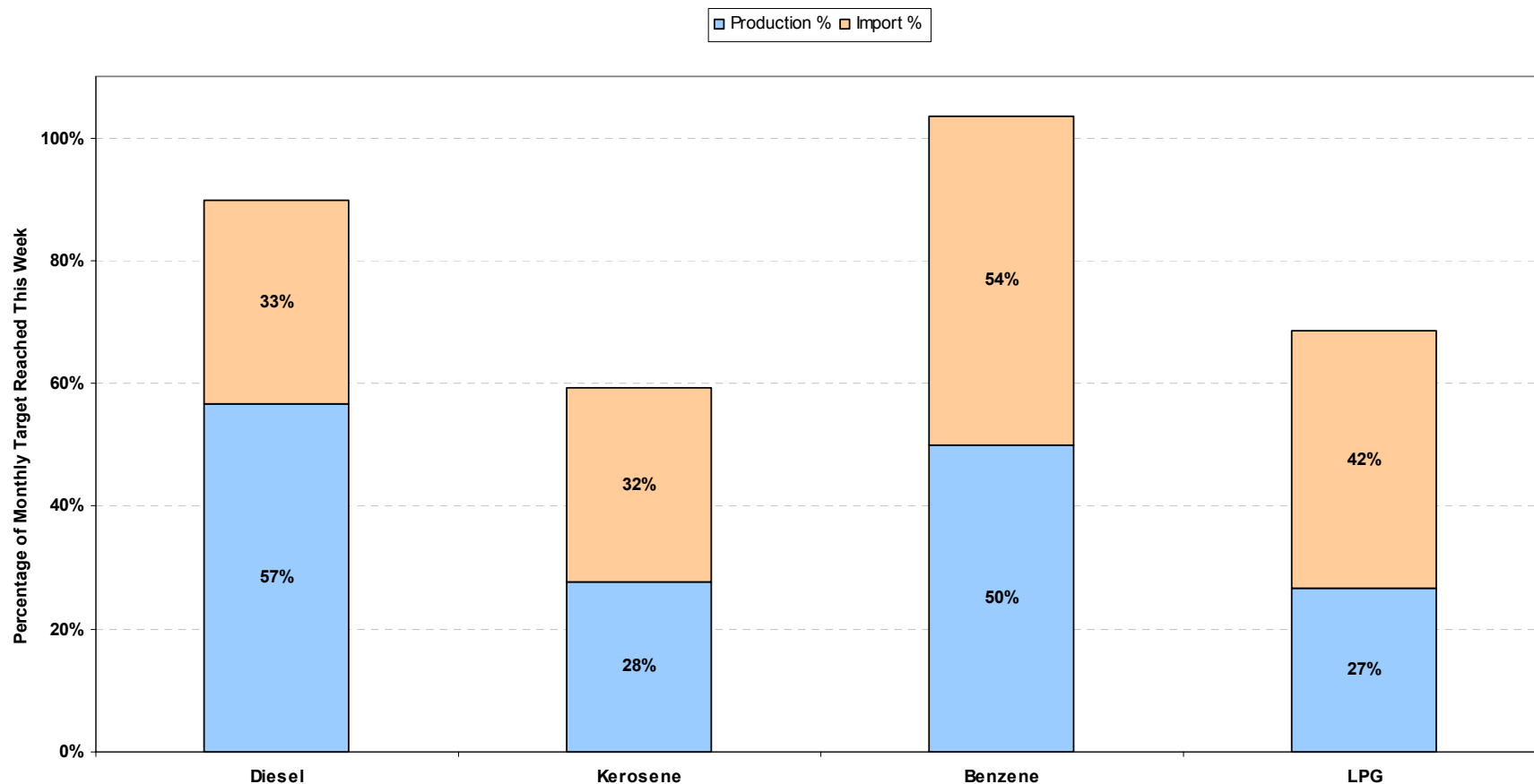
Pre-Transition: \$8,105.2M

Post-Transition: \$6,519.2M

\$14,624.4M



# Refined Products ñ Domestic Production & Imports



Note: This chart represents the percentage of target reached for the week of 1-7 Nov

ï Diesel: 16.2 ML of 18 ML

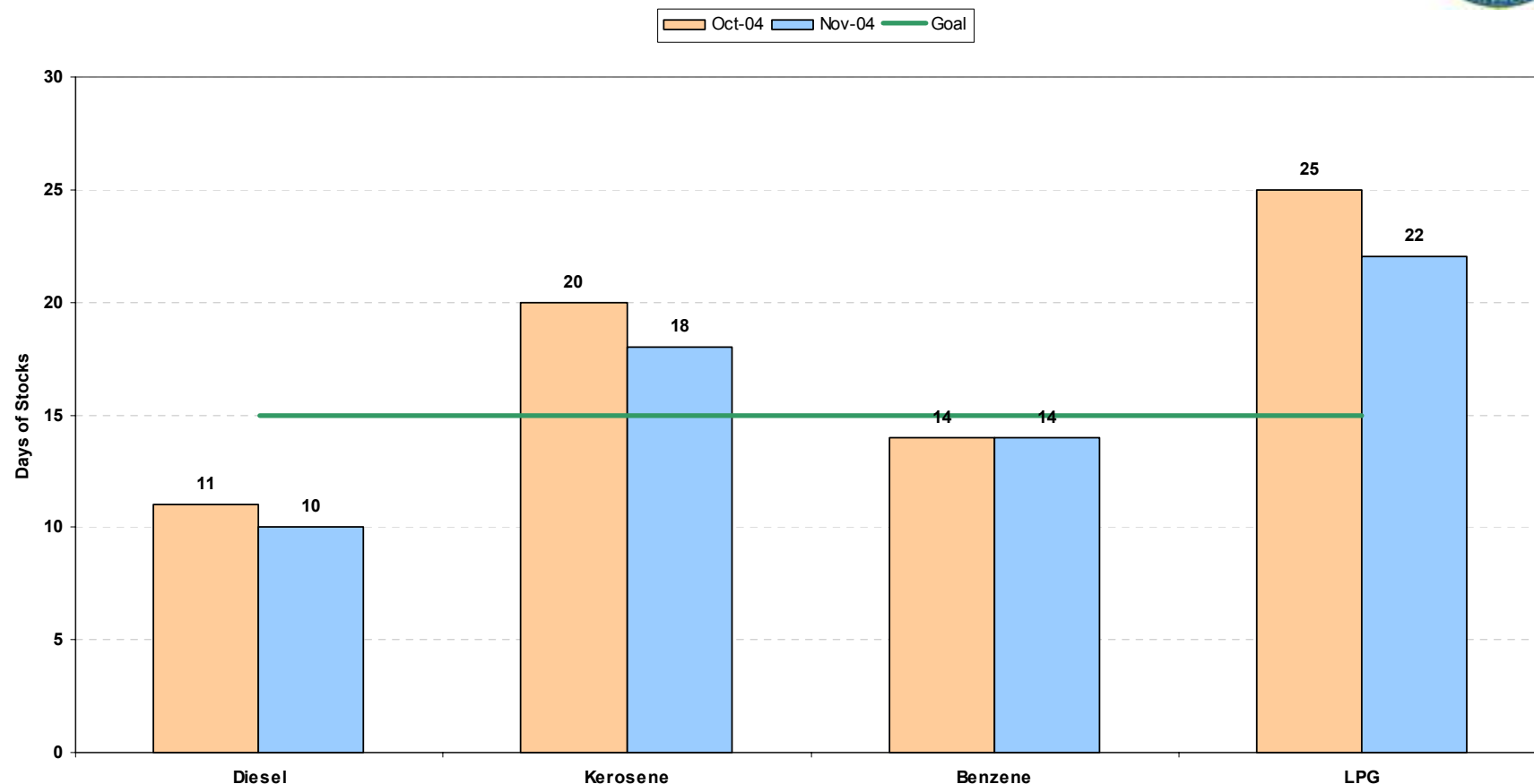
ï Kerosene: 8.9 ML of 15 ML

ï Benzene: 18.7 ML of 18 ML

ï LPG: 2,946 tons of 4,300 tons



# National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



# Iraq Relief and Reconstruction Fund (IRRF) ñ Financial Status

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\$ Millions			Committed		Obligated		Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	3850	3908	2729	2876	798	819
Electricity Sector	4350	3754	3482	3440	2341	2494	371	399
Oil Infrastructure	1701	1701	1142	1139	748	769	56	68
Justice, Public Safety, and Civil Society	1122	1111	828	841	512	546	75	69
Democracy	831	541	473	473	472	473	84	104
Education, Refugees, Human Rights, Governance	379	300	137	136	136	136	33	34
Roads, Bridges, and Construction	359	299	294	293	155	158	18	19
Health Care	786	786	626	750	347	347	4	5
Transportation and Communications	499	443	394	423	204	208	14	15
Water Resources and Sanitation	2311	1365	1267	1283	788	848	25	27
Private Sector Development	843	168	156	155	140	140	47	47
Admin Expense (USAID, State)	213	29	29	29	29	29	26	29
IRRF II SUBTOTAL 9%	18439	15542	12678	12870	8601	9024	1551	1635
CONSTRUCTION	11416	9496	7152	7797	5104	5282		
NON-CONSTRUCTION	6192	5505	5053	4600	3025	3269		
DEMOCRACY	831	541	473	473	472	473		
IRRF 1 SUBTOTAL 69%	2475	2475	2418	2418	2418	2418	1704	1704
GRAND TOTAL IRRF I & II 16%	<u>20914</u>	<u>18017</u>	<u>15096</u>	<u>15288</u>	<u>11019</u>	<u>11442</u>	<u>3255</u>	<u>3339</u>

Data as of 10 Nov 04



# Iraqi Security Forces Update

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<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	43,439	135,000
Civil Intervention Force	0	4,920
Emergency Response Unit	91	270
Border Enforcement	18,375	32,000
Highway Patrol	555	1,500
Bureau of Dignitary Protection	484	500
Army	3,887	27,000
National Guard	43,445	61,904
Intervention Force	1,816	6,584
Special Operations Force	597	1,967
Air Force	167	502
<u>Coastal Defense Force</u>	<u>409</u>	<u>582</u>
Total	*113,265	272,729

\*The military forces continue to receive advanced unit training.



# Stability Contributors ñ OIF

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## Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Kazakhstan	Mongolia	Slovakia
Australia	Estonia	Korea	Netherlands	Tonga
Azerbaijan	Georgia	Latvia	Norway	Ukraine
Bulgaria	Hungary	Lithuania	Poland	UK
Czech Rep	Italy	Macedonia	Portugal	
Denmark	Japan	Moldova	Romania	

**TOTAL ~ 24,000 Forces**

## 29 Countries and NATO

(including US)

**Support Iraqi Stability Operations**

# Iraq Weekly Status ñ General Information



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- ï Development, coordination and distribution responsibilities for the Iraq Weekly Status Report have been transferred from the Department of Defense to the Department of State.
- ï This brief draws from multiple sources. References are cited on the respective pages in the ñNotes Pageñ section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) [NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov) or (classified) [NEA-I-IPOG-DL@state.sgov.gov](mailto:NEA-I-IPOG-DL@state.sgov.gov)